

Measure Will Boost Growing Solar Industry In New York; Bill Also Cuts Tax Subsidies For Oil Industry

Washington, DC - In a major boost to New York's emerging solar industry, which he helped begin and foster, Congressman Maurice Hinchey (D-NY) today helped the House pass landmark legislation that will provide significant tax credits for solar research and development as well as for the purchase of solar products. The Renewable Energy and Energy Conservation Tax Act also provides incentives for other alternative energy sources while slashing billions in tax subsidies for oil companies.

"These solar tax credits will play a critical role in our ability to further advance The Solar Energy Consortium," Hinchey said. "Having tax incentives for businesses to invest in solar energy research and development is essential to our efforts to lure new companies to upstate New York where they will create hundreds and eventually thousands of new jobs for New Yorkers. Passage of this bill is an important step forward in our ongoing efforts to shift our country away from oil and towards solar and other alternative forms of energy. By enabling the solar industry to increase the scale of their production, we will help solar companies increase production and decrease costs, making solar technologies more affordable and mainstream throughout the country."

The Renewable Energy and Energy Conservation Tax Act makes new investments that will help reduce the United States' dependence on foreign oil, increase renewable electricity production, create jobs and protect the environment. The bill extends and expands tax incentives for renewable electricity, energy and fuel, as well as for plug-in hybrid cars, and energy efficient homes, buildings, and appliances.

The bill focuses aggressively on helping to boost solar energy research and development while also making it more affordable for consumers to purchase solar panels for their homes. The bill

extends a 30 percent tax credit on solar products purchased by consumers and doubles the annual cap to \$4,000. The measure also extends the business solar energy tax credit at a level of 30 percent for eight years, a long-term action that will spur investments and in turn make solar equipment more competitive and less costly.

Additionally, the legislation approved today repeals \$18 billion in unnecessary tax subsidies for massive oil and gas companies. Today's vote came shortly after the big five oil companies recently reported record profits for 2007, with ExxonMobil recording a \$40.6 billion profit - the largest corporate profit in American history. While oil companies have profited, and crude oil continues to soar -- now at \$102 per barrel -- consumers have felt the pinch. The average cost of a gallon of gasoline in New York is about \$3.30.

"In order to help grow the solar industry, we must help to level the playing field with the oil industry," Hinchey said. "By stripping away massive subsidies for the already well-developed oil and gas industry, we are helping the solar industry compete on more even ground. It's going to take a lot of work, but we will transition this country away from oil and towards solar and other forms of alternative energy."

Hinchey helped organize and create The Solar Energy Consortium (TSEC) in upstate New York, which is a new industry-driven, non-profit organization that provides leadership, organization, resources, and support for the establishment of a major solar energy industry cluster in New York. TSEC is the first organization of its kind for the photovoltaic industry, encompassing research and development, manufacturing facilities, industry promotion and market development. This week, TSEC partnered with its first major manufacturing partner, Prism Solar Technologies, which plans to bring more than 400 new jobs to Ulster County within 4-5 years. TSEC has also partnered with six research universities throughout New York to work on the research needed to improve solar technology.

Hinchey helped secure \$1.476 million to help TSEC bring companies such as Prism Solar Technologies into the consortium. The congressman also secured final approval of \$3.2 million for C9 Corporation to conduct solar research and development in conjunction with TSEC. Additionally, Hinchey helped convince Empire State Development to contribute a \$1.5 million grant to attract solar energy companies to TSEC. As part of the recently announced budget plan, Governor Spitzer has proposed an additional \$5 million for TSEC. The congressman is continuing to work to secure new federal and state funding for the consortium.

President Bush has indicated that he may veto the bill since it cuts tax subsidies to his friends in the oil industry.